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*Research News for the U.S. Travel Industry*

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# TRAVEL PRINTOUT

US Travel Data Center

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# Industry Shows Concern, Optimism at Forum

Travel industry experts share the consumer's concern over the future of the economy, but they are still optimistic that the industry will endure any downturn and will continue to grow in 1991, delegates were told at the U.S. Travel Data Center's 1991 Travel Outlook Forum in Pittsburgh, Pennsylvania on October 16.

Travel industry experts representing all major segments of the industry gathered at the sixteenth annual forum, co-sponsored by the Travel and Tourism Research Association, to project what the future holds for the travel industry.

Forum speakers cautioned listeners about the many challenges in the 1990s, such as a downshifting economy, competition in the global travel marketplace and further governmental regulations.

Suzanne Cook, executive director of the Data Center, said overall domestic travel in the first seven months of 1990 has increased 3 percent, but noted that travel has been relatively flat since May. In addition, there has been nearly a 4 percent increase in vacation person-trips thus far in 1990. (A person-trip is one person traveling 100 miles or more away from home).

There is a 60 to 65 percent probability of recession in 1991, according to Stuart Hoffman, senior vice president and chief economist for the Pittsburgh National Bank. Mr. Hoffman echoed the other speakers' concern about the economy. He warned that productivity gains and the oil price situation are issues that will affect the economy in 1991 and beyond.

The weakening of the U.S. dollar was a major, positive influence on international travel to the United States in 1990 and will continue to play a role in 1991. Harvey Shields, deputy director of the Office of Research of the United States Travel and Tourism Administration, projected that international travel to the United States in 1990 will increase 11 percent - with a record number of more than 40 million visitors - and will increase an additional 9 percent in 1991.

Europeans will take more than 960 million trips in 1990, a nearly 2 percent increase over 1989, according to Rolf Freitag, executive director of the European Travel Data Center. France was the number one destination of European travelers in 1989, but Germany is experiencing the greatest growth as a destination this year.

*Travel Weekly* Publisher William Scott, updated forum attendees on the current status and future of the U.S. travel agencies. While growth in the number of traditional travel agencies has slowed in recent years, there has been rapid growth in Satellite Ticket Printers (STPs). Together, Mr. Scott anticipates that there will be 7 percent more airline approved agency locations by the end of 1990 compared to last year.

Several speakers expressed concern about the increase in fuel costs. David Swierenga, assistant vice president, Air Transport Association, alerted forum delegates that increased fuel costs will negatively affect the airline industry, causing prices to increase dramatically. Mr. Swierenga projected that there will be a fairly mild recession and that the airline industry would show a 3 to 4 percent decrease in volume in 1991. Mr. Swierenga repeated earlier speakers' projections that international travel would continue to prosper.

The hotel sector, according to Randy Smith, president of Smith Travel Research, will also see an increase in prices. Room rates will increase more than 3 percent in 1991. Occupancy rates in 1991 will average 65 percent, increasing close to 1 percent over 1990. Real hotel/motel sales are projected to rise 3.8 percent in 1990 and 2.5 percent in 1991.

Over the first six months of this year, business trips have increased 2.5 percent and the number of business travelers rose 3.5 percent, said Hank Brandt, marketing and research manager of Official Airline Guides. Mr. Brandt told the delegates that business travelers are consolidating trips and staying on the road a little longer in an effort to minimize the cost of the trips they do take.
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**INSIDE:** Data Center releases *free* publication guide

# Lodging Costs Lead to Travel Price Decrease

For the first time since February, the cost of travel in the United States decreased, dropping nearly 1 percent in September. The decrease was largely due to lodging costs, which dropped more than 6 percent in September, according to the Data Center's latest Travel Price Index (TPI).

The TPI, which measures seasonally unadjusted changes in the cost of travel in the U.S. dropped to 139.6 (1982 - 84 = 100) during September.

For comparison, the overall cost of goods and services Americans purchased as measured by the Consumer Price Index (CPI) rose 0.8 percent to 132.7.

**Travel Price Index and Components**

| September 1990<br>TPI Component | Monthly % Change<br>August 1990 to<br>Sept. 1990 | Annual % Change<br>Sept. 1989 to<br>Sept. 1990 |
|---|---|---|
| Transportation | 5.7 | 20.5 |
| Airline Fares | 1.9 | 13.5 |
| Other Intercity Trans. | 1.9 | 5.2 |
| Intracity Public Trans. | 0.1 | 6.1 |
| Motor Fuel | 8.5 | 26.1 |
| Lodging | -6.6 | 14.7 |
| Food and Beverages | | |
| Away From Home | 0.2 | 4.5 |
| Entertainment | 1.8 | 6.9 |
| TRAVEL PRICE INDEX | -0.8 | 10.8 |
| CONSUMER PRICE INDEX | 0.8 | 6.2 |

Source: U.S. Travel Data Center and the U.S. Bureau of Labor Statistics

For the second straight month, motor fuel showed the largest increase in the month of September, jumping 8.5 percent, due in large part to the Middle East crisis. Motor fuel also showed the highest increase over the last 12 months, increasing more than 26 percent.

Overall transportation costs also showed a significant increase in September, increasing nearly 6 percent and jumping more than 20 percent over the last 12 months. Airline fares, intercity transportation, intracity public transportation and entertainment costs showed slight increases.

Over the past 12 month period, the TPI rose 10.8 percent, influenced by a 26 percent hike in motor fuel and a 20 percent jump in transportation. The CPI showed a more than 6 percent increase over the past 12 months.

# July Travel Inches Forward

Travel this July increased slightly, showing a 0.5 percent increase over last July with more than 153 million person-trips taken by U.S. residents, according to the Data Center's latest National Travel Survey (NTS) results. (A person-trip measures each person traveling 100 miles or more away from home.)

Business and pleasure travel showed substantial increases in July. Pleasure travel increased more than 4 percent over last July with more than 122 million person-trips. Although, pleasure person-trips increased the average round-trip distance decreased. The distance for pleasure travel dropped from 850 round-trip miles last July to 750 miles this July.

Business travel also showed an increase of more than 4 percent. The duration of the average business trip increased from 3 nights last July to more than 5 nights this past July.

Vacation travel dropped slightly for the second consecutive month, decreasing nearly 3 percent in July. The average duration of a vacation trip also decreased in July, decreasing from 5.1 nights last July to 4.8 nights in 1990.

Automobile travel jumped more than 1 percent with more than 122 million person-trips. Thirty-five percent of travelers using cars as the mode of transportation lived in the Midwest, and most of these travelers tended to stay within the Midwest during the trip.

Air travel showed a decrease in July, with more than 24 million person-trips, dropping nearly 8 percent. The average round-trip distance for air travel dropped from 2150 miles last July to 1950 miles this year, resulting in the decrease in domestic air passenger miles reported by the Air Transport Association.

The average party size remained stable, with an average of 2 persons per trip in July. Pleasure and vacation travel both showed slight decreases in the average party size this past July.

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(continued from page 1)

Family vacation travel continues to be a large share of total vacation travel in the United States, said Peter Mason, travel classification manager at *Better Homes & Gardens.* In 1989, there were a total of 75.9 million travelers who took family vacations and the largest segment of those were taken by two or more adults without children.

The summer months are the most popular season for family vacation travel. More than 63 percent of all family vacation person-trips in 1989 were taken in the summer.

According to the National Restaurant Association, the foodservice industry will exceed $241 billion in 1990 and equal nearly 5 percent of the U.S. Gross National Product. There are currently 8 million people employed by the industry, and the number is expected to reach 11 million by the year 2000.

The bed and breakfast industry is looking forward to significant growth and change in the 1990s. The industry has grown from a mere 500 or so establishments, mostly clustered in New England, to 20,000 spread throughout the entire country.

The complete proceedings of the sixteenth annual Travel Outlook Forum can be purchased for $125 by contacting the Data Center at (202) 293-1040. *(Data Center members will be receiving a complimentary copy).*

**Visitor Volume at National Parks**

| Region | AUGUST 1990 visits | % Change from AUGUST 1989 | Year to Date % Change 1990/89* |
|---|---|---|---|
| NEW ENGLAND | 3,006,600 | 5.2% | 1.1% |
| MIDDLE ATLANTIC | 3,555,862 | -17.6 | -17.1 |
| SOUTH ATLANTIC | 9,426,654 | -12.0 | -10.0 |
| EAST SOUTH CENT. | 2,048,258 | -17.0 | -20.4 |
| EAST NORTH CENT. | 1,135,585 | 1.1 | -1.1 |
| WEST NORTH CENT. | 2,055,343 | 0.6 | -0.1 |
| WEST SOUTH CENT. | 981,198 | -7.3 | -5.5 |
| MOUNTAIN | 7,332,906 | 2.4 | 3.4 |
| PACIFIC | 6,302,673 | -11.5 | -8.0 |
| TOTAL | 35,845,079 | -7.7 | -7.7 |

* Percent change figures may not be consistent with those previously reported due to National Park Service revisions.

Census regions: New England: Conn., Maine, Mass., N.H., R.I., Vermont. Middle Atlantic: N.J., N.Y., Penn. S. Atlantic: Del., District of Columbia, Fla., Ga., Md., N.C., S.C., Va., W.Va. East South Central: Ala., Ky., Miss., Tenn. East North Central: Ill., Ind., Mich., Ohio, Wis. West North Central: Iowa, Kan., Minn., Mo., Neb., N.D., S.D. West South Central: Ark., La., Okla., Texas. Mountain: Ariz., Colo., Idaho, Mont., Nev., N.M., Utah, Wyo. Pacific: Alaska, Calif., Hawaii, Ore., Wash.

# Data Center Releases Free Publication Guide

In an effort to better inform the travel industry, the Data Center now provides a free listing of all available publications.

This in-depth guide lists all Data Center publications, in addition to reports from the United States Travel and Tourism Administration (USTTA) and the reports from the Discover America 2000 series.

A recent agreement with USTTA enables the Data Center to market such reports as the *In-Flight Surveys* and the *Pleasure Travel Market to North America.*

The publication guide also includes the Discover America 2000 Marketing Research Series. The series includes *The Implications of America's Changing Demographics and Attitudes on the U.S. Travel Industry* and a newly released report entitled *Discover America: The Mature Market.*

If you would like a complete and free listing of domestic and international travel research, contact the Data Center at (202) 293-1040.

### *Schedule Set for Fifth Annual Travel Review Conference*

The schedule of events for the 1991 Travel Review Conference has been released. The fifth annual conference, to be held on Monday, February 4, 1991 at the Omni Shoreham Hotel in Washington, D.C., will review important issues affecting the travel industry in 1990, discuss national trends in U.S. domestic travel and recap international travel.

The Conference, jointly sponsored by the Data Center, U.S. Travel and Tourism Administration (USTTA) and Travel and Tourism Research Association (TTRA), will feature a review of 1990 travel statistics, marketing strategies and other pertinent data to assist travel marketing and research managerial decision-making.

Highlights will include a review of 1990 domestic travel by Suzanne Cook, executive director at the Data Center. Other travel industry experts will discuss 1990 trends in transportation, eco-tourism, the effects of the Middle East crisis and accommodations.

For further information on the fifth annual Travel Review Conference, contact Vernon Azucenas at (202) 293-1040.

# Current Travel Indicators - 1990

| | Month | Value | Units | Percent Change Last Month | Year Ago | Year To Date |
|---|---|---|---|---|---|---|
| **Establishment Receipts or Retail Sales** | | | | | | |
| Hotels, Motels, Other Lodging Places(1) | August | $ 5,543 | million | 3.9 | 6.2 | 7.9 |
| Eating and Drinking Places(2) | August | $15,135 | million | -0.7 | 4.2 | 5.0 |
| Gasoline Service Stations(2) | August | $10,674 | million | 6.4 | 11.7 | 5.4 |
| **Commercial Lodging Demand** | | | | | | |
| Hotel/Motel Occupancy Rates(3) | August | 63.1 | percent | 1.5 | -0.6 | 1.4 |
| Real Demand for Commercial Lodging(4) | August | 69.9 | million | 4.2 | 3.5 | 4.2 |
| **Airline Passenger Traffic (5)** | | | | | | |
| Domestic Revenue Passenger-Miles | August | 32.3 | billion | 6.0 | 1.4 | 2.9 |
| Int'l Revenue Passenger-Miles | August | 13.1 | billion | 5.5 | 16.3 | 17.1 |
| **Highway Traffic Volume (6)** | | | | | | |
| Rural Arterial Passenger-Miles | July | 50.3 | billion | 5.3 | 2.4 | 3.9 |
| **Rail Passenger Traffic (7)** | | | | | | |
| Amtrak Passenger-Miles | August | 607.0 | million | 3.0 | 4.6 | 3.3 |
| **Travel Price Index (1982 - 84 = 100) (8)** | August | 140.7 | | 2.3 | 9.1 | 6.5 |
| **U.S. Resident Travel** | | | | | | |
| Total Person-trips(9) | July | 153.1 | million | 15.3 | 0.5 | 3.1 |
| Vacation Person-trips(9) | July | 115.2 | million | 23.2 | -2.6 | 3.4 |
| Total Person-nights(10) | July | 673.6 | million | 23.8 | N/A | N/A |
| Vacation Person-nights(10) | July | 553.0 | million | 28.6 | N/A | N/A |
| **Public Use of National Parks (11)** | | | | | | |
| Visits | August | 35,845,079 | | -5.9 | -7.7 | -7.7 |
| Overnight Stays | August | 3,420,739 | | 1.6 | 3.4 | 1.9 |
| **Foreign Arrivals to the U.S.** | | | | | | |
| From Overseas(12) | June | 1,381,505 | | 13.0 | 11.8 | 8.8 |
| From Canada(13) | August | 2,443,308 | | 6.3 | 16.0 | 12.7 |
| From Mexico(12) | June | 110,653 | | 25.3 | 18.7 | 10.5 |
| **U.S. Citizen Departures** | | | | | | |
| To Overseas(12) | May | 1,427,300 | | 15.9 | 11.1 | 10.5 |
| To Canada(13) | August | 2,206,780 | | 5.2 | 3.8 | 1.6 |
| **Domestic Demand for Gasoline** | | | | | | |
| Barrels/Day(14) | August | 7,757 | thousands | 4.6 | 0.1 | -0.7 |

(1) Source: Smith Travel Research, seasonally adjusted. (2) Preliminary; revised monthly. Source: Bureau of the Census. (3) Source: Smith Travel Research, seasonally adjusted, 1988 and 1987 data have been revised. (4) Smith Travel Research, unadjusted room nights sold. (5) Preliminary; U.S. scheduled service air carriers. Source: Air Transport Association. (6) Preliminary revised monthly. Source: Federal Highway Administration. (7) Source: National Railroad Passenger Corporation (Amtrak). (8) Source: U.S. Travel Data Center and Bureau of Labor Statistics. (9) Source: U.S. Travel Data Center. (10) U.S. Travel Data Center. Data is not comparable to earlier published numbers due to revised methodology. (11) Preliminary; unadjusted for differences in reporting units. Source: National Park Service. (12) Source: U.S. Travel and Tourism Administration. Mexican data reflect 194 arrivals only. (13) Statistics Canada. (14) Preliminary; Source: U.S. Department of Energy.

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